

Fact Sheet

Solid Waste Haulers Surcharge



Q. What is being proposed?

A. The garbage hauler surcharge is being proposed to better reflect the physical and financial impact that solid waste hauling operations put on the city street system as a result of heavy hauler vehicles running on city streets every week. The surcharge also represents fair compensation for private use of the right of way, a public asset that haulers need for their business. The surcharge would be assessed as a flat percentage of hauler fees collected and would vary by account, based on frequency of collection service and customer category.

Q. Administratively, how would the surcharge work for haulers?

A. Haulers will submit to the City documentation of actual gross revenues collected from customers inside city limits for the quarter, and pay 10% of that figure. The proposal calls for the new surcharge to be effective for the quarter starting July 1 and ending September 30, with first payments due November 14, 2009. This provides the haulers 45 days from the end of the quarter to submit their payments.

Q. Why is the surcharge being proposed at this time?

A. The surcharge is one component in a package of solutions designed to maintain current service levels for street operations and maintenance activities next year. These critical street and traffic infrastructure services include keeping streetlights lit, street signs and signals in good working order, potholes and cracks patched, and much more. These services are paid for through the city's Road Operations Fund, which over the past five years has experienced a 15% decrease in revenue while expenditures have increased by 23% despite a major organizational restructuring that resulted in efficiencies and over \$1 million in budget savings in fiscal years 2004 and 2005. Ongoing operating deficits are projected to draw down the fund balance to zero early next fiscal year. Without new revenue, the fund will be unable to support roughly a third of current city street services next fiscal year.

Q. How will the money from the surcharge be used?

A. The proposed 10% transportation surcharge is estimated to generate \$1.8 million for the fiscal year

beginning July 1, 2009. The surcharge funds will be dedicated to keeping Eugene's street in good operating condition – including signs and signals, pavement markings, street lights and pavement repairs. This need is well understood and supported by Eugene residents and elected officials.

Q. What will the impact of the surcharge be on customer rates?

A. The proposed 10% surcharge would increase the bill for a residential customer with weekly 32-gallon service by an additional \$1.97 per month, while commercial customers would see a proportionate 10% increase in their bills for garbage service.

Q. What opportunities do I have to provide comments?

A. Here's the tentative schedule for the proposed hauler surcharge:

- Feb. 18 (noon, McNutt Room) – Council work session on street funding needs and solutions
- April 20 (7:30 p.m., Council Chamber) – Public hearing on surcharge ordinance changes
- April 27 (7:30 p.m., Council Chamber) – Council action on surcharge ordinance changes
- Late April – 15-day posting and public comment period on proposed surcharge administrative rules
- July 1, 2009 – Effective date of surcharge

Q. How can I get more information about the surcharge?

A. On the web:

Street repair needs: www.eugene-or.gov/streets

Hauler fees: www.eugene-or.gov/garbagerates

By phone:

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